



# **Waverley Trading Co-operative Limited**

**REGISTERED OFFICE**  
**21 RAILWAY PARADE, GLEN WAVERLEY**  
**PHONE: 9803 9999**

**NOTICE OF MEETING**  
**The forty first Annual General Meeting**  
**will be held on Monday, 14<sup>th</sup> October, 2002**  
**at 8.00 pm**  
**at 21 Railway Parade, Glen Waverley**

## *2002 Annual Report and Financial Statements*

## **AGENDA**

1. To confirm the minutes of the fortieth Annual General meeting held on 22 October, 2001.
2. To receive and adopt the reports of the Board of Directors and auditors for the year ended 30 June, 2002.
3. To receive and adopt the financial statements of the Co-operative for the year ended 30 June, 2002.
4. To elect three (3) directors to fill vacancies on the board of directors and determine the remuneration of directors.
5. To consider any other business of which due notice has been given.

**WAVERLEY TRADING CO-OPERATIVE LIMITED****Balance Sheet as at 30 June 2002.**

<b>MEMBERS FUND</b>	<b>Note</b>	<b>2002</b>	<b>2001</b>
Share Capital		\$	\$
407071 Shares at \$2.00 each		814,142	796,752
(Accumulated Losses)		(94,787)	(42,982)
<b>TOTAL MEMBERS FUND</b>		<b>\$719,355</b>	<b>\$753,770</b>
Represented by-			
<b>CURRENT ASSETS</b>			
Inventories-	1(b)	516,225	536,540
Future income tax benefit -	2(b)	Nil	NIL
Trade and Sundry debtors		2,220	696
Deposit with Waverley Credit Union Co-operative Ltd.		178,314	211,915
Other debtors and prepayments		3,667	3,994
Cash on hand		474	474
Cash at bank		91,762	31,747
<b>TOTAL CURRENT ASSETS</b>		<b>\$792,662</b>	<b>\$785,366</b>
<b>LESS CURRENT LIABILITIES</b>			
Trade creditors		38,224	4,733
Sundry creditors		11,853	16,584
Provision for tax -	2(a)	Nil	(3,458)
Members' dividend account		13,928	13,985
Provision holiday pay and long service leave -	I(c)	23,397	18,880
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$87,402</b>	<b>\$50,724</b>
<b>NET CURRENT ASSETS</b>		<b>\$705,260</b>	<b>\$734,642</b>
<b>INVESTMENTS, at cost</b>			
Shares.			
Waverley Credit Union Co-operative Limited		10	10
Co-operative Energy Ltd.		10	10
License Fee			
Frontline Stores Australia Ltd.		2,500	2,500
<b>TOTAL INVESTMENTS</b>		<b>\$2,520</b>	<b>\$2,520</b>
<b>PROPERTY PLANT &amp; EQUIPMENT</b>			
Equipment, fixtures and fittings at cost		75,622	80,052
less provision for depreciation		64,047	63,444
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>		<b>\$11,575</b>	<b>\$16,608</b>
<b>NET ASSETS</b>		<b>\$719,355</b>	<b>\$753,770</b>

**WAVERLEY TRADING CO-OPERATIVE LIMITED**  
**Profit and Loss Account for the year ended 30 June 2002**

	Note	2002 \$	2001 \$
<b>SALES</b>		717,164	737,299
Less cost of sale		507,261	564,432
<b>GROSS PROFIT FROM TRADING</b>		<b>\$209,903</b>	<b>\$172,867</b>
<b>OTHER INCOME</b>			
Discount received		14,455	26,959
Interest and dividends		8,502	9,789
Handling fee		539	1,184
		23,496	37,932
<b>GROSS PROFIT</b>		<b>\$233,399</b>	<b>\$210,799</b>
<b>LESS EXPENSES</b>			
Advertising		3,240	4,604
Audit fee -	3	13,229	8,965
Bank Charges		8,845	9,815
Directors' fees-	4	6,500	6,500
Depreciation-	1(a)	5,033	3,782
Insurance		3,775	4,861
Inventory write down		623	21,433
Light & power		3,006	2,267
Postage		1,080	1,080
Printing, stationery & office supplies		4,959	4,871
Rent and other occupancy costs		47,083	45,753
Salaries		160,386	166,465
Subscriptions		746	331
Superannuation		13,445	13,678
Sundry expenses		9,292	10,934
Telephone		3,962	3,463
		\$285,204	\$308,802
<b>OPERATING (LOSS)</b>		(51,805)	(98,003)
Income tax expense -	2(a)	Nil	6,623
<b>(LOSS) AFTER INCOME TAX</b>		(51,805)	(104,262)
(Accumulated losses) as at July 2001		(42,982)	61,644
Total available for appropriation		(94,787)	(42,982)
Transfer from (to) statutory reserve		Nil	Nil
<b>(Accumulated losses) as at 30 June 2002</b>		<b>\$(94,787)</b>	<b>\$(42,982)</b>

# WAVERLEY TRADING CO-OPERATIVE LIMITED

Notes to and forming part of the Accounts for the year ended 30 June 2002.

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### General Principles

In the opinion of the directors the Co-operative is not a reporting entity as there is unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs and the accounts are therefore "Special Purpose Financial Statements" that have been prepared solely to meet the requirements of the Co-operatives Act 1996.

The accounts are not drawn up in accordance with the applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), as there is no legislative requirements to do so.

The accounts have been prepared in accordance with the Co-operatives Act 1996 using the historical cost convention and except where stated, do not take into account changing money values or current valuations on non-current assets. The accounting policies adopted are consistent with those of the previous year.

#### **(a) Depreciation:**

Depreciation is calculated on a prime cost basis so as to write off the net cost of each fixed asset over its expected useful life.

#### **(b) Inventories:**

Inventories are stated at the lower of cost and net realisable value.

#### **(c) Provision for holiday pay and long service leave:**

- (i) Provision for holiday pay is calculated on the basis of legal liability.
- (ii) Long service leave is provided for after a period of seven years.

#### **(d) Income Tax**

The Co-operative adopts the liability method of tax-effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit/(loss) before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of the operating profit/(loss) before income tax and taxable income, are brought to account as either a provision for deferred income tax or as a Future Income Tax Benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future Income Tax Benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future Income Tax Benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Co-operative will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law.

## **2. INCOME TAX**

(a) The prima facie tax payable on the operating (loss) differs from the income tax provided in the accounts and is reconciled as follows:

	2002	2001
Operating (Loss) and extraordinary items before income tax	\$ (51,805)	\$ (98,003)
Prima facie tax payable at 30% (2001 – 34%)	(15,542)	(33,321)
Tax effect on increase/(decrease) in tax losses	15,542	36,496
Tax effect of change in future tax rates	Nil	3,448
<b>Income Tax Expense</b>	<b>Nil</b>	<b>6,623</b>
Tax effect of timing differences:		
Accrued audit fee	(210)	(816)
Interest income accrued	98	(274)
Long service leave and holiday pay	(1,355)	(1,222)
Tax effect of Increase in Income Tax Losses	1,928	(4,833)
Cash register fully depreciated	(461)	522
	Nil	(6,623)
Less Instalments paid	Nil	3,458
<b>Provision for income tax</b>	<b>Nil</b>	<b>(3,458)</b>

b) A possible Future Income Tax Benefit also exists in relation to timing differences and income tax losses. This future tax benefit has not been recognised as an asset in the special purpose financial statements and will only be realised if:-

- (i) The Co-operative derives future assessable income of a nature and of an amount sufficient to enable the benefit from deductions to be realised;
- (ii) The Co-operative continues to comply with the conditions for deductibility imposed by the law; and
- (iii) No changes in tax legislation adversely affect the Co-operative in realising the benefit from the deductions.

## **3. AUDITORS' REMUNERATION**

Services provided by the auditors were as follows.

	2002	2001
	\$	\$
Audit	9,000	8,965
Other Services	4,229	Nil
	13,229	8,965

## **4. DIRECTORS' FEES**

The Directors of the society are not engaged in full time employment with the society and have received no remuneration other than that disclosed in the accounts and in the directors' report.

## **5. SECURED LIABILITIES**

An overdraft facility with Waverley Credit Union Co-operative Limited is secured by a floating charge over the assets of Waverley Trading Co-operative Limited.

## **6. CONTINGENT LIABILITIES**

NIL	NIL
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## **7. COMMITMENTS FOR EXPENDITURE**

Capital expenditure contracted for within one year

NIL

NIL

Lease expenditure contracted for:

Operating Lease

Shop facilities were leased on 1<sup>st</sup> July 2000 for three years.

Due within one year

45,000

44,000

Due within one to two years

Nil

45,000

Due within two to five years

Nil

Nil

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45,000

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89,000

## **8. DIRECTORS' BENEFITS**

Total remuneration of directors

6,500

6,500

Directors fees

6,500

6,500

Retirement benefits of directors

NIL

NIL

Loan to directors

(1) Amount due at reporting date

NIL

NIL

(2) Amounts of:

(i) loans made during the year

NIL

NIL

(ii) loans repaid during the year

NIL

NIL

Transactions with director related entities:

(1) Computer services

355

2,322

(2) Electrical work

283

204

# WAVERLEY TRADING CO-OPERATIVE LIMITED

## DIRECTORS' REPORT

The Directors present for your approval the Annual Report and Financial Statements for the year ended 30 June 2002.

### DIRECTORS:

The directors in office at the date of this report are Graham Gunn (Chairman), Martin Coull, John Van de Graff, Inez Baker and Patrick Davis.

No Director other than Martin Coull and Graham Gunn received or became entitled to receive any benefit since the end of the previous financial year by reason of a contract made by the society with any director or with a firm of which a director is a member, or with a company in which a director has a substantial financial interest.

Martin Coull is a director of Martin Coull Computer Services who are our computer consultants. Graham Gunn is an electrical contractor who has provided services as required.

### PRINCIPAL ACTIVITY:

The principal continuing activity of the society is retailing of school uniforms.

No significant change in the nature of this activity has occurred during the year.

### OPERATING RESULTS AFTER TAX:

The operating results of the society for the financial year amounted to a loss after tax of \$51,805 (2001 loss \$104,262).

### RESERVES AND PROVISIONS:

The amount and particulars of any material transfers to or from reserves or provisions are as follows:

	2002	2001
Transfer to/(from)	\$	\$
Provision for holiday pay	3,044	4,795
Provision for long service leave	1,473	(8,389)
Provision for depreciation	603	3,782
Provision for tax	Nil	(5,550)

### DIVIDENDS:

The directors have not approved the payment of a dividend.

### SHARE ISSUE

The society has issued 12,630 shares during the financial year. Membership at 30 June 2002 was 22,006 who hold the 407,071 issued shares. 3,660 shares were withdrawn. There were no shares or debentures issued during the year pursuant to a prospectus.

### DEBTS RECEIVABLE AND OTHER CURRENT ASSETS:

Prior to the preparation of the society's financial statements for the year, the directors took reasonable steps to ascertain whether any action needed to have been taken in relation to the writing off of bad debts, and the creation of a provision for doubtful debts and to cause all known bad debts to be written off and adequate provision to be made for doubtful debts and whether any other current assets were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the society.

At the date of this report the directors are not aware of any circumstances which would, require any amount to be written off for bad debts or, make any provision for doubtful debts, to any substantial extent, nor are they aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.